

AFFORDABLE HOUSING FORUM

June 2, 2004

**Fairview Park Marriott Hotel
Falls Church (Fairfax County), Virginia**

Summary of Sessions

Round I 10:00 – 11:00 a.m.

TOPIC: How to Revitalize Our Community and Preserve Affordable Housing

A discussion as to how to achieve both revitalization of older commercial areas and neighborhoods while still preserving affordable housing. Involves issues of land use policy, mixed use and redevelopment. Successful projects highlighted.

Moderator: **Robert E. Spangler**, Managing Director, Fixed Income Banking, RBC Dain Rauscher Inc.

Speakers: **Maureen McAvey**, Senior Vice President, Urban Land Institute
Elizabeth B. Davidson, Director, Department of Housing and Community Affairs, Montgomery County, Maryland
Elisabeth Lardner, Principal, Lardner/Klein Landscape Architects, P.C.

Facilitator: **John Payne**, Director of Design, Development and Construction, Fairfax County Department of Housing and Community Development

Strategies/Suggestions from speakers and attendees:

- Leadership at all levels is required
- “Greentaping”: Providing incentives in the permit and zoning process where developments providing affordable units (either preserved or created) receive expedited processing or first priority processing.
- Leverage multiple programs and sources of funds to make projects successful.
- Develop plans to include small business and affordable housing in revitalization
- Be prepared to be successful in revitalization as rents and property values increase.
- Provide density with a spectrum of incomes.
- Be inclusive and creative in recognizing the needs of the community from the beginning.

TOPIC: New Preservation Strategies – Creating a Level Playing Field

A discussion among representatives of the development and building industry about the pros and cons of requiring preservation as part of County land use policy. Does it level the playing field to require preservation when there is consolidation and redevelopment? Success with this approach in other jurisdictions examined. A discussion of the loss of affordable housing for first-time homebuyers due to price increases, tear-downs, and consolidation. How can homeownership opportunities be preserved and created?

Moderator: **David Jeffers**, Director, Fannie Mae, Northern Virginia Partnership Office

Speakers: **Walter L. Alcorn**, Commissioner, Fairfax County Planning Commission
Ken Aughenbaugh, Director, Housing Division, Department of Community Planning, Housing and Development, Arlington County, Virginia
Carson Lee Fifer, Jr., Esq., McGuire Woods LLP
Honorable James M. Scott, Virginia House of Delegates

Facilitator: **Kay Robertson**, Strategic Planner, Fairfax County Department of Housing and Community Development

Strategies/Suggestions from speakers and attendees:

- **Arlington County model:** Policies for including affordable housing in redevelopment have resulted in innovative design (affordable units serving as facades on multi-level parking structures) and innovative approaches by developers.
- **Incentives for Developers** are needed, such as
 - Financial assistance;
 - Increased Density;
 - Transferable Development Rights or similar tool;
 - Predictability in the development process;
 - Rehabilitation Credits ;
- **Incentives built into the Comprehensive Plan.** Merrifield is a possible model, considering Yorktowne, Merrifield Village, and Merrifield Commons. Some of this area is planned for and developed with a mix of office and multi-family residential uses up to 1.4 FAR, with a multi-family component of 35-40 dwelling units per acre.
- **Easier approval process** for adapting formerly commercial buildings to residential uses.
- **Virginia Foundation for the Preservation of Affordable Housing** provides small loans for preservation.
- **Linked Deposits** (Investment set-aside by jurisdiction used to assist developers of affordable housing).
- **One for one replacement** of affordable units when redevelopment occurs.
- **Link commercial development** to Housing Trust Fund.
- **Property tax exemption for non-profits** needs to be reinstituted.
- **Increase community understanding** that preservation is not the same as stagnation.
- **Update the County's Policy Plan (portion of Comprehensive Plan):**
 - Update County's housing policy;
 - Add more effective language about adaptive re-use;
 - Ensure that Area Plan Review nominations include incentives for affordable housing.
- Review approaches to including affordable dwelling units in high-rise structures.
- Need to energize the community to support incentives for affordable housing.

Round II 11:15 a.m. – 12:15 p.m.

TOPIC: Successful Preservation for Private Nonprofit & For-Profit Developers

A presentation of success stories by private developers who have developed a successful niche in affordable housing. What tools are effective and what incentives need to be made available? Is Fairfax County taking advantage of all the tools available to it to preserve affordable housing? What financing tools are available to assist in preservation? What are the best ways to engage existing owners in a proactive way to sell their properties to non-profits or refinance them using affordable housing tools?

Moderator: **Larry Rice**, Regional Vice President, First Horizon Mortgage Co.

Speakers: **Mark Silverwood**, President, Silverwood Associates, Inc.

Gerry Joseph, Director of Real Estate Development, Community Preservation and Development Corporation

John Morland, General Counsel, National Housing Trust

Facilitator: **Louise Milder**, Senior Real Estate Finance Officer, Fairfax County Department of Housing and Community Development

Strategies/Suggestions from speakers and attendees:

- Bridge loans and predevelopment funds are needed so that the developer can move quickly to acquire at-risk projects and compete effectively with market developers.
- Creative financing is needed to meet the unique requirements of difficult projects. Financing such as grants, cash flow, mezzanine and more gap funds were discussed.
- Political will was stressed as being a catalyst for making affordable housing happen. Elected officials can eliminate red tape, coordinate agencies, rally the public, etc.
- County policies that can be effective are:
 - Tax abatement – forgiving increased taxes due to rehabilitation of property for a period of time. (We have this but it doesn't seem to be advertised)
 - Flexible zoning – allowing zoning amendments out-of-turn so that projects can be rezoned quickly and easily.
 - Streamline the permitting process – time is money.
- Consider a Right of First Refusal Law – both Maryland and DC have this. This would have to be explored as it is not clear how this works.
- Coordinate regionally. This would give us the opportunity to network and explore methods that other communities are using to provide affordable housing. It will also ensure that affordable housing is provided in all parts of the region.
- Reduce development costs where possible, such as transaction costs.

TOPIC: Engaging Community Support

Moderator: Jan Maxwell, Vice President/CRA Officer for Chevy Chase Bank (Moderator)

Speaker: Brenda K. Goodman, Managing Director of Public Policy, Virginia Housing Development Authority (VHDA)

Father Gerry Creedon, pastor, Saint Charles Church, Arlington, Virginia

Donna Fleming, Senior Vice President for Zimmerman Associates, Inc.

Facilitator: Michael Pearman, Special Projects Director, Real Estate Finance and Grants Management Division, Fairfax County Department of Housing and Community Development

Strategies/Suggestions from speakers and attendees:

- Need to balance community support with the need for action
- Local efforts to encourage support and acceptance of affordable housing should build off of the foundation laid by the “Housing Virginia” campaign, a statewide education campaign to encourage support and acceptance of affordable housing.
- The need to increase cultural awareness as part of efforts to encourage support and acceptance of affordable housing
- The need to proactively organize people that will support affordable housing
- Expand efforts to educate and increase awareness on the issue of affordable housing at public schools, fairs, etc.
- Look to community groups such as Leadership Fairfax, Inc. and focus on that organization’s current and previous graduating classes on the issue of affordable housing.
- Research best practices of other localities on garnering community support.